



**MEETING OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY
33 N Dearborn St, Suite 1000
Chicago, IL 60602**

Minutes for the December 4, 2014 Meeting of the Board

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County are herein collectively referred to as the "Fund."

Call to Order and Roll Call

Trustees Present: Alexis Herrera, Jack Fitzgerald, Diahann Goode, Brent Lewandowski, Robert Janura, Patrick McFadden, Patrick Nester, Samuel Richardson, Jr. and Lawrence Wilson

Staff Present: Nickol R. Hackett, Executive Director & CIO; Michael Maratea, Director of Finance; Paul Rzeszutko, Director of Annuity Benefits; Gary LeDonne, Senior Benefit Advisor; Margaret Fahrenbach, Legal Adviser; Brenda, Deming, Director of Health Benefits; Beverly Romanini, Office Manager; Marina Sirot, Project Compliance Analyst

Others Present: Mary Pat Burns, Burke Burns & Pinelli, LTD; Jason Parks, Loop Capital; Abin Kuriakose, Commissioner Gainer's Office; Linas Kelecus, Annuitant and Private Attorney; Cynthia Dillard, Retiree

Public Comment

Trustee Herrera opened the meeting for public comment, no one having requested to do so, the Board considered the next item of business on the Agenda.

1. Review and Consideration of:

a. November 6, 2014 Board Meeting Minutes.

It was moved by Trustee McFadden and seconded by Trustee Lewandowski that the minutes of the November 6, 2014, Board Meeting be amended to include Paul Rzeszutko's comments from the November 6, 2014 Board Meeting that the last three payrolls from the County were both timely and accurate.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

- b. Bills, Payroll Records, Annuities, Spouse and Child Annuities, Ordinary and Duty Disabilities, and Refunds.

The Fund's monthly bills and payroll records were presented for the Board's approval.

It was then moved by Trustee Richardson and seconded by Trustee Goode that the action taken by the Fund's staff in remitting payments for the presented bills and payroll records be approved.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Janura, Lewandowski, McFadden, Nester,
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

- c. Annuities, Spouse and Child Annuities and Refunds

The Fund's staff presented their recommendations to the Board regarding the applications for annuities, spouse and child annuities and refunds and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was then moved by Trustee McFadden and seconded by Trustee Richardson, after due consideration of the applications presented to the Board and having received confirmation from the staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented annuities and refunds be approved.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Janura, Lewandowski, McFadden, Nester,
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

- d. Ordinary and Duty Disabilities

The Fund's staff presented their recommendations to the Board regarding the applications for ordinary and duty disability benefits and confirmed that they followed the Fund's procedures in reviewing and processing the applications in making their recommendations.

It was moved by Trustee Goode and seconded by Trustee Richardson, after due consideration of the disability applications presented to the Board and having received confirmation from the staff that they followed the Fund's procedures in reviewing and processing the applications, that the recommendations for the presented disability applications be approved.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Janura, Lewandowski, McFadden, Nester,
Richardson, Wilson

NAYS: None

Vote Result:

MOTION ADOPTED

2. Administrative Report

a. Open Enrollment

Nickol R. Hackett, Executive Director, reported that the Open Enrollment meetings for retiree health benefits took place on three different days at various locations in early November. The member turnout was increased over previous years largely due to the change in the plan administrator to United Healthcare and because two sessions were held in suburban locations. Brenda Deming, Director of Health Benefits, added that the Fund fielded approximately 3,500 calls from members in the Open Enrollment period which represented an increase of about 30% from the previous years. She also stated that most callers found some benefit from the change after interaction with Fund staff. Ms. Deming also reported that members were interested in receiving paper directories of the providers who participate in the plan. The Trustees discussed the costs associated with providing complete directories to all participants and the possibility of providing versions that were modified to more closely reflect the members' geographical locations.

b. Travel Approval – Callan National Conference

The Executive Director provided the Board with requests from Fund staff to attend to different conferences relating to due diligence and to the fiduciary obligations of pension plans.

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that expenses, including any related travel expenses incurred by Fund staff in attending the 2015 Callan 35th National Conference in San Francisco, California, on January 26-28, 2015, at a projected cost of \$1,800 per attendee be approved provided that any reimbursement be in and for amounts consistent with the Fund's Travel Reimbursement Policy.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Janura, Lewandowski, McFadden, Nester,
Richardson, Wilson

NAYS: None

Vote Result:

MOTION ADOPTED

c. Travel Approval – Institutional Investor Forum

It was moved by Trustee McFadden and seconded by Trustee Fitzgerald that expenses, including any related travel expenses incurred by Fund staff in attending the 6th Annual Institutional Investor Forum: Evolving Fiduciary Obligations of Pension Plans in Tempe, Arizona, on February 9-10, 2015, at a projected cost of \$1,000 per attendee be approved provided that any reimbursement be in and for amounts consistent with the Fund's Travel Reimbursement Policy.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Janura, Lewandowski, McFadden, Nester,
Richardson, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

3. Legislative Update

Mary Pat Burns summarized the status of pension reform litigation and other legislative matters. She stated that the pension reform legislation relating to the State funds had been ruled unconstitutional by the Circuit Court of Sangamon County and was directly appealed to the Illinois Supreme Court. It was anticipated that the appeal would proceed on an expedited schedule, but that the Illinois Supreme Court had not yet determined that it would proceed in that manner. Ms. Burns also reported that because of the decision of the Illinois Supreme Court in *Kanerva*, the affected State funds were required to return health benefit premiums to members. She also stated that the Supreme Court took up a case on appeal relating to Chicago Transit Authority's health care trust which concerns a board's liability for setting health care rates. The decision in that case could affect how the Retirement Board approaches retiree health benefits and the Fund might consider filing an amicus brief. Finally, Ms. Burns reported that no action was taken in the fall veto session on any pension bills, including those bills proposed for only technical corrections.

4. 2015 Budget Presentation

a. 2015 Budget Approval

The Executive Director presented an overview of the 2015 Budget for the Fund. She stated that while the investment portfolio is increasing, the outflows are also increasing at about the same rate. The Executive Director stated that the budget reflected the need to correct the Fund's underinvestment in its Information Technology requirements and to redirect its focus from anticipated pension reform to prospective planning. She also noted that the Fund salaries reflected staff attrition and few new hires. Michael Maratea, Director of Finance, provided further information on the IT needs of the Fund. He stated that consultants had been retained to plan for improvements to the infrastructure which included upgrades to internet connections and a planned reduction from 12 servers to 3 servers which will improve efficiencies in the system.

The Trustees discussed the need to make information available to both active members and to retirees. They also discussed the possibility to plan for secure access from the website to the members' individual records to assist in their retirement planning. Ms. Hackett informed the Board that website planning is a key priority for 2015 and member access and security would be part of the evaluation.

It was moved by Trustee Fitzgerald and seconded by Trustee Goode, consistent with the recommendations of the Fund's staff, that the Board adopt the Fiscal Year 2015 Administrative Budget.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Janura, Lewandowski, McFadden, Nester,
Richardson, Wilson
NAYS: None

Vote Result: MOTION ADOPTED

5. Trustee Matters

a. 2015 Election of Officers and Committee Assignments

The Board next considered the election of officers pursuant to Section 9-188 of the Pension Code and it was requested that nominations be made. It was moved by Trustee Goode and seconded by Trustee Richardson that Trustee Lewandowski be nominated as the President of the Board, to serve in that office until a successor is elected. The President called for a roll call vote on the pending motion.

Roll Call Vote:

AYES: Goode, Lewandowski, Richardson
NAYS: Fitzgerald, Janura, McFadden, Nester, Wilson, Herrera

Vote Result: IN FAVOR OF NAYS, MOTION NOT ADOPTED

The motion to nominate and elect Trustee Lewandowski to the office of President of the Board having failed, it was then moved by Trustee Fitzgerald and seconded by Trustee McFadden that Trustee Herrera be nominated as the President of the Board, to serve in that office until a successor is elected. The President called for a roll call vote on the pending motion.

Roll Call Vote:

AYES: Fitzgerald, Herrera, Janura, Lewandowski, McFadden, Nester, Wilson
NAYS: Goode, Richardson

Vote Result: IN FAVOR OF AYES, MOTION ADOPTED

It was next moved by Trustee McFadden and seconded by Trustee Fitzgerald that Trustee Lewandowski be nominated as the Vice-President of the Board, to serve in that office until a successor is elected. The President called for a roll call vote on the pending motion.

Roll Call Vote:

AYES: Fitzgerald, Goode, Janura, Lewandowski, McFadden, Nester, Richardson,
Wilson, Herrera
NAYS: NONE

Vote Result: MOTION ADOPTED

It was then moved by Trustee Lewandowski and seconded by Trustee Richardson that Trustee Goode be nominated as the Secretary of the Board, to serve in that position until a successor is elected. The President called for a roll call vote on the pending motion.

Roll Call Vote:

AYES: Goode, Lewandowski, Richardson, Wilson
NAYS: Fitzgerald, Janura, McFadden, Nester, Herrera

Vote Result: IN FAVOR OF NAYS, MOTION NOT ADOPTED

The motion to nominate and elect Trustee Goode to the office of Secretary of the Board having failed, it was then moved by Trustee Janura and seconded by Trustee Fitzgerald that Trustee McFadden be nominated as the Secretary of the Board, to serve in that office until a successor is elected. The President called for a roll call vote on the pending motion.

Roll Call Vote:

AYES: Fitzgerald, Herrera, Lewandowski, McFadden, Nester, Wilson
NAYS: Goode, Richardson

Vote Result: IN FAVOR OF AYES, MOTION ADOPTED

The Board next addressed the item relating to committees and discussed the intended purpose of the committees, their membership and voting procedures. It was discussed that other retirement systems have charters or by-laws that address these issues and that the Pension Code permits the Board to adopt rules relating to its administration. It was noted that certain administrative rules had been previously adopted, but that such rules had not been specifically relied upon in the conduct of the Board's functions and has been routinely reviewed. The trustees discussed the need to review the administrative rules for further discussion at the January meeting. Fund staff was requested to make copies of the Administrative Rules available for all trustees as soon as practicable.

The Board next considered the assignments for committee chairs and membership that had been proposed by Trustee Herrera. Before voting on the committee assignments, it was moved by Trustee Janura and seconded by Trustee Goode, that the committee proposed as

the “Legislative and Governance Committee” be referred to solely as the “Legislative Committee”. The President called for a voice vote on the pending motion.

Vote Result: **MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE**

It was then moved by Trustee Goode and seconded by Trustee Richardson that the Board adopt the assignments for the committee chairs and membership as proposed by Trustee Herrera, and that all so named shall serve respectively, until a successor is duly elected or appointed, to wit:

That all the members of the Retirement Board shall serve on the Investment Committee and that Trustee McFadden shall serve as Chairman; and

That the following members of the Retirement Board shall serve on the Emerging/Minority Investment Sub-Committee: Trustee Janura, Chairman; Trustee Goode, Trustee Wilson, Trustee Nester and Trustee Richardson; and

That the following members of the Retirement Board shall serve on the Health Benefits Committee: Trustee Fitzgerald, Chairman; Trustee Herrera, Trustee Lewandowski, Trustee McFadden, Trustee Goode, Trustee Richardson and Trustee Nester; and

That the following members of the Retirement Board shall serve on the Legislative Committee: Trustee Lewandowski, Chairman; Trustee Goode, Trustee Herrera, Trustee Janura, Trustee McFadden, Trustee Nester, and Trustee Richardson.

The President called for a voice vote on the pending motion.

Voice Vote:

AYES: Fitzgerald, Goode, Herrera, Lewandowski, Nester, Richardson, Wilson

NAYS: McFadden

Vote Result: **IN FAVOR OF AYES, MOTION ADOPTED BY VOICE VOTE**

b. 2015 Proposed Meeting Schedule

It was moved by Trustee Nester and seconded by Trustee Janura, consistent with the recommendation of the Funds’ professional staff and the Fund’s counsel, that the proposed 2015 Meeting Schedule be adopted.

Vote Result: **MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE**

c. Trustee Education and Travel Pre-Approval

The Executive Director then reminded the Board about the annual educational requirements each needed to fulfill and identified certain conferences available to them to attend which

would satisfy this obligation. Trustee McFadden suggested that all travel approved and considered within the budget does not need to be presented for additional approval.

It was moved by Trustee McFadden and seconded by Trustee Richardson, consistent with the recommendations of the Funds' professional staff and the Funds' counsel, that the expenses, including any associated travel expenses, incurred by any Trustee or Fund staff in attending any of the indicated educational conferences be approved, provided that reimbursement shall be in and for amounts consistent with the Fund's Travel Expense Reimbursement Policy.

Roll Call Vote:

AYES: Fitzgerald, Goode, Herrera, Janura, Lewandowski, McFadden, Nester,
Richardson

NAYS: None

NOT PRESENT: Wilson

Vote Result: MOTION ADOPTED

6. Old Business/New Business

There was no old business or new business discussed.

7. Adjournment

There being no further business before the Board, it was moved by Trustee Richardson and seconded by Trustee Janura that the trustees adjourn the meeting.

The next Board meeting is scheduled for January 8, 2015, at 9:30 a.m.